

RA 3

**UNAPPROVED MEETING MINUTES
CITY OF MILPITAS**

Meeting Minutes: Regular Meeting of the Redevelopment Agency
(Including Joint Meeting with the City Council)

Date: Tuesday, August 16, 2005

Time: 7:00 PM

Location: City Hall Council Chambers, 455 E. Calaveras Blvd.

JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

- RA1. CALL TO ORDER** Mayor/Agency Chairman Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 9:50 PM.
- RA 2. ROLL CALL**
- PRESENT: Mayor/Chair Esteves, Vice Mayor/Vice Chair Gomez, and Agency/Councilmembers Giordano, Livengood
- ABSENT: Agency/Councilmember Polanski
- RA 3. MINUTES**
- MOTION to approve the Redevelopment Agency minutes of August 2, 2005, including joint meeting with the City Council, as submitted.
- Motion/ Second: Agency/Councilmember Livengood/ Vice Chair/Vice Mayor Gomez
- Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Polanski)
- RA 4. AGENDA**
- MOTION to approve the agenda as submitted.
- Motion/Second: Agency/Councilmember Livengood/ Agency/Councilmember Giordano
- Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Polanski)
- RA 5. PUBLIC HEARING**
- Approve The Density Bonus, "S" Zone No. SZ2005-6 And Use Permit No. UP2005-13 For Senior Housing Project At 163 No. Main Street**
- (1) Planner Staci Pereira spoke to the Agency regarding the "S" zone approval request. Entitlement applications were submitted for S Zone approval for a new 4 story residential building, the redevelopment of the historic DeVries home, a use permit for set backs and parking reduction request for residential parking. This project would be located across the street from the new Milpitas library site on Main Street. The future county health facility would be located next door. Ms. Pereira reviewed details of the project, including a description of the Density Bonus requested by the developer. A total of 102 units plus a manager unit were proposed.
- Approve Fair Use Report For the Disposition of the Land**
- One suggestion provided by Seniors in Milpitas would be accommodated, a passenger drop-off/loading zone. In addition, seniors suggested the addition of an elevator at back. The latter idea was being researched, but may be too expensive.
- Authorize the Redevelopment Agency Executive Director To Enter into a Disposition And Development Agreement and Related Documents With Mid-Peninsula Housing Coalition**
- The Parks and Cultural Resources Commission requested that items be saved from the home that could be included in an historical inventory. The Commission also requested a tour of the renovated DeVries home when construction was complete.

RA 5. continued

**Addressing the Sale And
Development of DeVries/
Smith House and Adjacent
Property As An Affordable
Senior Housing Project**

**And Authorize the Making of
a Loan and Grant to Assist in
the Development of the Project**

(2) Principal Housing Planner Felix Reliford introduced the project and specifically the Developer and Disposition Agreement with MidPeninsula. He reviewed legal boundaries of the project area including the DeVries/Smith home. Mr. Reliford introduced the Mid Peninsula Housing Coalition as the partner house, agreements on financial conditions, and the regulatory agreement.

Mr. Reliford explained that the DDA was the legal instrument to implement the senior housing development, which included twelve separate documents, including Resolutions, the grant deed, a series of loan and grant agreement, terms and conditions, regulatory agreement for low income requirements, an agreement with the County for the shared driveway and façade easement. The DDA completes the land conveyance and transfer, also. A summary of financial terms was provided.

Consultant Mr. Robert Whitmore spoke regarding the Fair Re-use report of this project. California law says that tax use increment requires these findings of the Agency: 1) the cost of \$9.6 million from RDA set aside fund, 2) the estimated value to be conveyed or leased (a disclosure of what it would get in the open market, presently valued at medium density for about \$2.5 million), 3) estimated value of amount to be conveyed in the re-use of the site (it's nominal because its use will be targeted to low income and extremely low income residents and included was the re-vamp of DeVries home), 4) the sale of the property would assist in the elimination of blight on an underused parcel, and 5) the sum of the purchase price would be \$10.5 million to be paid by the developer.

Mr. Reliford reported that last month, four names were submitted by MidPeninsula Housing to the Council's Facilities Naming Subcommittee and the recommendation reported out was to name the new project "DeVries Place."

Ms. Myra Blitzer of MidPeninsula Housing Coalition, the non-profit organization that would develop this project introduced her staff and the architect on the project. MidPeninsula has existed for 30 years, and currently managed 80 properties in the greater Bay Area. She reviewed some of the details and highlights of DeVries project, including the photovoltaic panels on the roof as well as the rooftop garden.

Mayor Esteves inquired about turnaround space for Fire Department vehicles. Ms. Blitzer and Ms. Pereira responded that the City's Fire Marshal had thoroughly reviewed the project and had given her approval to the project.

Ideally, construction would be finished in 2008, and seniors could move in at that time.

Councilmember Livengood inquired about the common driveway. He was concerned that the senior housing project stands on its own. He cared about the deal struck regarding the County garage and its new health facility. Ms. Blitzer responded that yes, this project stood alone regardless of common driveway with County.

Ms. Fran Wagstaff of MidPeninsula responded to financing questions posed by Council member Livengood. The RDA would have to approve any change in leveraged funds, new mortgage, etc.

Councilmember Giordano inquired about parking ratios and the number of parking spaces for residents vs. users of the community space. She also asked why there were three units on top of the DeVries House (rather than space for community groups).

Councilmember Giordano asked Mr. Reliford about the DDA and the loan and grant agreement, and what is "rehabilitative" as defined in the documents? He reviewed some of the costs relative to the DeVries house needing particular attention and cost for moving the structure.

RA 5. continued

Mayor Esteves asked about the reduction in the minimum setback from 8 feet to 6 feet, and comparison to the setback for the proposed library across the street. Staff Mark Rogge responded that the library set back would match the existing building on that site, with slightly wider sidewalks for the public use area there as compared to the senior housing across the street.

The Mayor inquired further about a possible "balloon" payment at end of the financing terms. Consultant Mr. Whitmore explained that the city's loan would be paid out of surplus cash flow, to pay down the loan. If that money were not available, then the loan would not get repaid, and instead the City then would owe both principal and accrued interest and be due at the end of the loan term (55 years). That unlikely scenario could necessitate a balloon payment.

Finally, Mr. Reliford thanked the Engineering staff, MidPeninsula Housing Coalition, the architect, the City's Planning Department and in particular, Ms. Sue Block of the law firm Meyers, Nave, as she was the lawyer who wrote many of the documents produced for the Agency this evening.

Agency Chair/Mayor Esteves opened the joint public hearing. No members of the public came forward to speak on this matter.

(1) MOTION: to close the public hearing

Motion/Second: Agency/Councilmember Giordano/ Vice Chair/Vice Mayor Gomez

Motion carried by a vote of:

AYES: 4
NOES: 0
ABSENT: 1 (Polanski)

(2) MOTION: to authorize the following actions:

City Council approved the "S" Zone No. SZ2005-6, Use Permit No. 2005-13 and the requested Density Bonus.

City Council adopted Resolution No. 7552 approving the Fair Re-use Report and the conveyance of the property.

Redevelopment Agency adopted Resolution No. RA241 approving the Fair Re-use Report, adopted findings in connection therewith, approved the Disposition and Development Agreement and related documents and approved the loan and grant.

Approved "DeVries Place" as the official name of the Senior Housing Project, as recommended by the Facilities Naming Subcommittee.

Agencymember Livengood included in his motion that staff will return to the City Council at a future meeting with specific architectural details about the rehabilitation and renovation of the DeVries/Smith home.

Motion/Second: Agency/Councilmember Livengood/ Vice Chair/Vice Mayor Gomez

Motion carried by a vote of:

AYES: 4
NOES: 0
ABSENT: 1 (Polanski)

***RA 6. Adopt a Resolution of the Redevelopment Agency Approving Execution of an Owner Participation Agreement with Shapell Industries of Northern CA**

Adopted Resolution No. RA242 of the Redevelopment Agency which approved the execution of an Owner Participation Agreement with Shapell Industries of Northern California, LLC, and making certain the findings noted.

***RA 7. Adopt a Resolution of the Milpitas Redevelopment Agency Approving the Execution of an Owner Participation Agreement with Fairfield Development, LLC**

Adopted Resolution No. RA243 of the Redevelopment Agency which approved the execution of an Owner Participation Agreement with Fairfield Development, LLC and made the findings contained within the Resolution.

***RA 8. Approve a Request for Proposal for Sale And Relocation of the "Winsor Blacksmith Shop" Building At 116 N. Main Street**

1. Declared the buildings and personal (chattel) property at 116 N. Main Street as surplus and suitable for disposal in accordance with City policy.
2. Approved the Request for Proposals (RFP) to offer the "Winsor Blacksmith Shop" for sale and removal, and authorized staff to advertise the Request for Proposals.

**RA 9.
ADJOURNMENT**

Chair/Mayor Esteves announced the Agency would take a break at 9:28 PM.

At 9:36 PM, Chair/Mayor Esteves reconvened the Agency and re-opened meeting.

In order to adopt the three items on Redevelopment Consent Calendar, the Agency took the following action.

MOTION: to amend the Agency's agenda to add a vote on the consent calendar and subsequently to vote to approve the RDA Consent Calendar.

Motion/second: Vice Chair/Vice Mayor Gomez/ Agencymember Giordano

Motion carried by a vote of:

AYES: 4
NOES: 0
ABSENT: 1 (Polanski)

Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 9:37 PM.

Respectfully submitted,

Mary Lavelle
Agency Secretary / City Clerk